

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 22, 1999

APPLICATION OF

P.V. TEL OF VIRGINIA, LLC

CASE NO. PUC990099

For certificates of public
convenience and necessity
to provide local exchange
and interexchange
telecommunications services

FINAL ORDER

On May 28, 1999, P.V. Tel of Virginia, LLC ("P.V. Tel" or "Applicant"), filed an application for certificates of public convenience and necessity ("certificate") requesting authority to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. P.V. Tel also requested waivers of certain requirements of the Commission's Rules for Local Exchange Telephone Competition ("Local Rules"), 20 VAC 5-400-180, to allow it to offer a prepaid local exchange service in addition to standard local exchange services. In addition, the Applicant requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

In addition to standard residential local exchange services, P.V. Tel proposes to offer a residential prepaid,

month-by-month, local telephone service, which blocks access to toll services, operator services (including collect and third-party calls), and directory assistance. The proposed prepaid service provides unlimited local calling, access to 911 emergency services and 1-8xx toll free dialing, without the imposition of credit checks or deposit requirements.

In order to provide this residential, prepaid, month-by-month service, P.V. Tel requested waivers of § C 5 and certain provisions of § C 1 of the Local Rules requiring a new entrant, either directly or through arrangements with others, to provide access to directory assistance (§ C 1 d), access to operator services (§ C 1 f), equal access to intraLATA long distance carriers (§ C 1 e), and equal access to interLATA services (§ C 5) to all local exchange customers. The Applicant further requested a waiver of § D 3 of the Local Rules that limit the proposed rate for local exchange services provided by the new entrant not to exceed the highest of the comparable tariffed services provided by the incumbent local exchange telephone company or companies in the same local serving areas.

P.V. Tel also requested a waiver of § B 5 a of the Local Rules which require the Applicant to provide audited financial statements with its application.

By Order dated July 15, 1999, the Commission directed the Applicant to provide notice to the public of its application,

directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to P.V. Tel's application.

On August 26, 1999, the Staff filed its report, finding that the application is in compliance with the Commission's certification requirements of the Local Rules and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"), 20 VAC 5-400-60, except for the requirements from which P.V. Tel has sought waivers.

The Staff did not object to P.V. Tel's request for waivers from specific Local Rules subject to the following conditions:

- (i) the Applicant shall provide audited financial statements of its parent, P.V. Tel, Inc., to the Staff no later than one (1) year from the effective date of its initial tariff;
- (ii) P.V. Tel shall provide full disclosure to consumers about the services and features P.V. Tel will and will not furnish to subscribers of its alternative, prepaid, month-by-month local exchange service. Sales brochures and other marketing and advertising materials must prominently disclose that service is restricted to residential end users and that customers will have no access to directory assistance, operator services, long distance, collect and third-party calls, or any other pay-for-usage services;
- (iii) any waivers granted P.V. Tel in this case are limited solely to the residential, prepaid, month-by-month

local service described in the Applicant's filing; (iv) any waivers granted to P.V. Tel for its residential, prepaid, month-by-month local service should be subject to revocation, alteration, or the imposition of additional conditions such as pricing restrictions in the event the Commission subsequently determines the service is operating improperly or is not in the public interest; (v) any subsequent increase in the rate for the residential, prepaid, month-by-month local service shall be subject to thirty (30) days' notice to the Commission, and notice to customers provided through billing inserts or publication for two (2) consecutive weeks as display advertising in newspapers having general circulation in the areas served by the Applicant; and (vi) if at any time P.V. Tel initiates a requirement of customer deposits, any deposits collected by the Applicant shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

A hearing was held on September 7, 1999. P.V. Tel had filed its proof of publication and proof of service on August 24, 1999. At the hearing, the application with accompanying exhibits and the Staff Report were entered into the record without objection, and the Applicant agreed to the recommendations of Staff.

Having considered the application and the Staff Report, the Commission finds that such application, as well as the requested waivers, should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) P.V. Tel of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-459, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, the provisions of this Order, and the conditions set forth in the Staff Report.

(2) P.V. Tel of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-77A, to provide interexchange services subject to the restrictions set forth in the IXC Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) P.V. Tel shall file tariffs with the Division of Communications that conform with all applicable Commission rules and regulations from which the Applicant has not been granted a waiver.

(4) No later than one (1) year following the effective date of its initial tariff, P.V. Tel shall provide to the Division of Economics and Finance audited financial statements of its parent, P.V. Tel, Inc., for the most recent annual period.

(5) Should P.V. Tel collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained until such time the Staff of the Commission determines it is no longer necessary.

(6) This case shall remain open to evaluate P.V. Tel's residential, prepaid, month-to-month local exchange service.